

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
MINUTES OF THE
BOARD OF OIL AND GAS CONSERVATION MEETING AND PUBLIC HEARING
February 26 & 27, 2014

CALL TO ORDER

An executive session of the Montana Board of Oil and Gas Conservation was called to order by Chairman Linda Nelson at 12:30 p.m. on Wednesday, February 26, 2014. Members present were Chairman Nelson, Ron Efta, Jack King, Peggy Ames Nerud and Bret Smelser. John Evans was present via telephone conference call. Staff present was Jim Halvorson, Terri Perrigo and attorney Rob Stutz. The purpose of the meeting was to discuss personnel matters and litigation strategy. There were no members of the public present. The executive session adjourned at 1:45 p.m.

The regular business meeting of the Montana Board of Oil and Gas Conservation was called to order by Chairman Linda Nelson at 2:00 p.m., Wednesday, February 26, 2014 in the Board's hearing room at its office at 2535 St. Johns Avenue in Billings, Montana. Board members present were Chairman Nelson, Vice-Chairman Wayne Smith, Ron Efta, Jack King, Peggy Ames Nerud and Bret Smelser. Board member John Evans was absent. Staff present was Tom Richmond, Jim Halvorson, Dave Popp, Terri Perrigo, George Hudak, John Gizicki, Gary Klotz and attorney Rob Stutz.

APPROVAL OF MINUTES

Mr. Smelser made a motion, , seconded by Mr. Smith and unanimously passed, to approve the minutes of the December 11, 2013 business meeting.

PUBLIC COMMENT

Ms. Lana Sangmeister of Nye MT was present to ask that the Board "give equal protection to all stakeholders of resource development, not just the oil and gas industry." Her testimony is attached as Exhibit 1. Mr. Richmond said the Board addressed many of her concerns when it did frac rules two years ago. All the comments received during rulemaking, including those of the Board, are still available on the Board's website.

ELM COULEE EOR STUDY UPDATE

Mr. Leo Heath and Mr. Burt Todd of MT Tech were present to provide an update on the Elm Coulee EOR study. They plan on having the major part of the study done in mid-2014. The 2013 Progress Report is attached as Exhibit 2. After developing and performing a lengthy reservoir modeling component, the conclusions drawn so far are: 1) depletion will recover less than 15 percent of the original oil in place; 2) hydrocarbon gas injection shows potential to improve recovery from the Elm Coulee study area by 75 percent; 3) gas injection operations will require additional injection wells; and 4) economics may be challenging but there is reason for optimism. They will be looking for an industry partner to do a pilot program. Waterflood does not appear to be the best option for secondary recovery.

Mr. Heath also presented Exhibit 3, a request to approve continued funding for the Elm Coulee EOR Study for 2014. Ms. Perrigo explained the annual request for funding was no longer necessary because the project contract was extended to 2017.

FINANCIAL REPORT

Ms. Perrigo distributed and discussed the financial report attached as Exhibit 4.

BOND REPORT AND DOCKET SUMMARY

Mr. Halvorson distributed the Bond Report attached as Exhibit 5.

STAFF REPORTS

Mr. Dave Popp, new Chief Field Inspector, was introduced

Mr. Gary Klotz, Northern District Field Supervisor, distributed and discussed the grant projects summary, attached as Exhibit 6.

Mr. Jim Halvorson discussed the field inspection manual status. It has been challenging with the loss of seasoned staff and the addition of two new staff: the compliance officer and the new chief field inspector. But the entire inspection process has been re-evaluated and changes have been made to the computer system to accommodate changes made during the process. There may be more show-cause hearings as a result of the new procedures that will be implemented. He expects to have a final draft of the manual to the contractor next week. Chairman Nelson wants to make sure the new field inspection manual is done by June when the Board goes back to the Legislative Audit committee.

Mr. George Hudak has two compliance issues with payment of annual UIC injection well fees. Typically if operators don't pay, a late fee is assessed in addition to the annual fee. If the company still does not pay a show cause hearing will be scheduled where additional penalties and/or fines may be ordered

Kelly Oil & Gas – has three wells in the Roundup area
Windy Buttes Reclamation has 2 wells in the Plentywood area.

Mr. Hudak said the annual injection well fee of \$200 per well is due January 31 of each year. On February 7th Mr. Hudak sent reminder letters to the two above-mentioned companies and on February 14th he letters stating if the fee was not paid by February 26 it would be brought up at the business meeting. Windy Buttes talked to Mr. Hudak and said the check was in the mail and they provided him a copy of the check. Kelly Oil said they are not going to pay.

Mr. Hudak recommends a \$100 per well late fee be assessed on Kelly Oil & Gas.

MOTION: Assess a \$100 per well late fee on Kelly Oil & Gas for failure to pay the annual injection well fee on its three wells in a timely manner. Motion made by Mr. King, seconded by Mr. Smelser and unanimously passed.

Attorney Rob Stutz said there are three lawsuits pending against the Board: the Ostby case, which has been fully briefed and is awaiting a decision before the MT Supreme Court; the Hekkel case, which has been served on the Board but not yet answered, which is where the plaintiff is asking the court to review Board Order 439-2013 regarding production from the Charlie 1-5H and Pennie 1-4H wells; and the Carbon County Resource Council case, challenging the Board's decision in December to grant the Energy Corporation of America permit to drill a well in Carbon County, which has been served on the Board but not yet answered.

Mr. Tom Richmond said in regard to the Legislative Audit meeting, he doesn't know of anything hanging out there that people don't already know about. He is leaving the Board with some personnel issues. He wishes he had done something about getting a permanent plugging fund that is under the Board's control. He never thought the grant funding process where the Board gets two priority grants off the top would be a problem – but the last session showed just how easy it is to eliminate that funding for well plugging. He will be available to provide support if the Board chooses to look at a permanent plugging fund option.

Chairman Nelson presented Mr. Richmond with a plaque in appreciation of his 32 years of service and leadership to the Board of Oil and gas.

Mr. Hudak said they have received 12 applications for the petroleum engineer position. The committee will be interviewing three. The hiring committee will be Mr. Hudak, Mr. Halvorson, Mr. Efta and Mr. King. Mr. Smith wanted to make sure the full Board would be involved in the selection at some point. Chairman Nelson said the committee will do the preliminary review and then bring a recommendation to the Board. Mr. Smelser said he is ok with that because the full board has the ability to accept or not accept whoever is nominated, so he thinks that allows the full Board to be involved.

MOTION: The hiring committee will interview selected applicants and present the recommended candidate to the Board for approval. Motion made by Mr. Smelser, seconded by Mr. Smith and unanimously passed.

Chairman Nelson has appointed a search committee to fill the administrator position being vacated by Mr. Richmond. They are Mr. Hudak who will be the chairman, Mr. King, Mr. Efta, and DNRC Director John Tubbs. DNRC Human Resources officer Kerry Davant will either be a member of the committee or function in an advisory capacity for the committee. She was going to check on that with Director Tubbs and let Chairman Nelson know.

Mr. Hudak gave an update on search committee activities. They have two recommendations: 1) post the administrator job as an exempt position as soon as possible and leave it open for ten days. Then the search committee will look at applicants and make recommendations to the Board; and 2) hire an interim administrator right away. The committee recommends it be Mr. Halvorson and that he be given a pay raise effective March 3, 2014 equal to half way between his existing salary and Mr. Richmond's salary.

MOTION: Assign administrator duties to Mr. Halvorson until a full-time administrator is hired. Increase Mr. Halvorson's salary to halfway between his existing salary and Mr. Richmond's salary. Motion made by Mr. King, seconded by Mr. Efta and passed. Mr. Smelser voted nay.

MOTION: Administrator hiring committee will screen applicants and bring the final selected candidate's name for Board approval at the April 30, 2014 business meeting. Motion made by Mr. King, seconded by Mr. Efta and unanimously passed.

The business meeting adjourned at 4:10 p.m.

PUBLIC HEARING.

The Board reconvened on Thursday, February 27, 2013 at 8:00 a.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana, to hear the matters docketed for public hearing. Board member John Evans was absent. As a result of the discussion, testimony and technical data placed before the Board, the following action was taken in each matter.

Docket No. 1-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 1-2014.

Docket No. 2-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 2-2014.

Docket No. 3-2014 – A motion was made by Mr. Smelser, seconded by Mr. Efta and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 3-2014.

Docket No. 4-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 4-2014. Member Jack King recused himself.

Docket No. 5-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 5-2014. Member Jack King recused himself.

Docket No. 6-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 6-2014. Member, Jack King recused himself.

Docket No. 7-2014 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 7-2014. Member Jack King recused himself.

Docket No. 8-2014 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 8-2014. Member Jack King recused himself.

Docket No. 9-2014 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Kraken Oil & Gas LLC as set forth in Board Order 9-2014. Member Jack King recused himself.

Docket No. 10-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 78-2014.

Docket No. 11-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 79-2014.

Docket No. 12-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 80-2014.

Docket No. 13-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Whiting Oil and Gas Corporation was approved as set forth in Board Order 81-2014.

Docket No. 14-2014 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 10-2014. Member Jack King recused himself.

Docket No. 15-2014 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 11-2014. Member Jack King recused himself.

Docket No. 16-2014 – A motion was made by Mr. Smelser, seconded by Mr. Smith and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 12-2014. Member Jack King recused himself.

Docket No. 17-2014 – A motion was made by Mr. Efta, seconded by Mr. Smith and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 13-2014. Member Jack King recused himself.

Docket No. 18-2014 – A motion was made by Mr. Efta, seconded by Mr. Smith and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 14-2014. Member Jack King recused himself.

Docket No. 19-2014 – A motion was made by Mr. Efta, seconded by Mr. Smith and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 15-2014. Member Jack King recused himself. Member Jack King recused himself.

Docket No. 20-2014 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 16-2014.

Docket No. 21-2014 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 17-2014.

Docket No. 22-2014 – A motion was made by Mr. King, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 18-2014.

Docket No. 23-2014 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 19-2014.

Docket No. 24-2014 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 20-2014.

Docket No. 25-2014 – A motion was made by Mr. Smith, seconded by Mr. Smelser and unanimously passed, to approve the application of Whiting Oil and Gas Corporation as set forth in Board Order 21-2014.

Docket No. 26-2014 – A motion was made by Mr. King, seconded by Mr. Smelser and passed, to approve the request of Energy Corporation of America for a permit to drill a well in Section 7, T8S-R23E, Carbon County, Montana. with the condition that ECA comply with the API HF2 standards for water management should ECA propose to hydraulic fracture the well as set forth in Board Order 22-2014. Peggy Ames Nerud voted nay.

Docket No. 27-2014 – A motion was made by Mr. Smelser, seconded by Mr. King and passed, to approve Board Order 23-1971 is hereby vacated as requested by the Montana Board of Oil and Gas Conservation as set forth in Board Order 23-2014.

Docket No. 28-2014 – A motion was made by Mr. Smith, seconded by Mr. Smelser and passed, to approve the application of Interstate Explorations, LLC as set forth in Board Order 24-2014.

Docket No. 29-2014– The application of Interstate Explorations, LLC was continued to the May 2014 hearing.

Docket No. 30-2014– The application of Interstate Explorations, LLC was continued to the May 2014 hearing.

Docket No. 31-2014– The application of Interstate Explorations, LLC was continued to the May 2014 hearing.

Docket No. 32-2014– The application of Interstate Explorations, LLC was continued to the May 2014 hearing.

Docket No. 33-2014 – A motion was made by Mr. Smith, seconded by Mr. Smelser and passed, to approve the application of Legacy Reserves Operating LP as set forth in Board Order 25-2014.

Docket No. 34-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 26-2014.

Docket No. 35-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 27-2014.

Docket No. 36-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 28-2014.

Docket No. 37-2014 – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 29-2014.

Docket No. 38-2014 – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 30-2014.

Docket No. 39-2014 – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of EOG Resources, Inc. as set forth in Board Order 31-2014.

Docket No. 40-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Onshore Holdings LLC as set forth in Board Order 32-2014.

Docket No. 41-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Onshore Holdings LLC as set forth in Board Order 33-2014.

Docket No. 42-2014 – A motion was made by Mr. Efta, seconded by Mr. King and passed, to approve the application of Onshore Holdings LLC as set forth in Board Order 34-2014.

Docket No. 43-2014 – A motion was made by Mr. Efta, seconded by Mr. King and passed, to approve the application of Onshore Holdings LLC as set forth in Board Order 35-2014.

Docket No. 44-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Big Sky Exploration, LLC as set forth in Board Order 36-2014.

Docket No. 45-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 38-2014.

Docket No. 46-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 39-2014.

Docket No. 47-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 40-2014.

Docket No. 48-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 41-2014. Member, Jack King, recused himself.

Docket No. 49-2014 – A motion was made by Mr. Efta, seconded by Mr. Smith and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 42-2014. Member Jack King recused himself.

Docket No. 50-2014 – A motion was made by Mr. Smith, seconded by Ms. Ames-Nerud and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 43-2014. Member Jack King recused himself.

Docket No. 51-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Oasis Petroleum, Inc. was approved as set forth in Board Order 82-2014.

Docket No. 52-2014 & 1-2014 FED – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 44-2014.

Docket No. 53-2014 – A motion was made by Mr. King, seconded by Ms. Ames-Nerud and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 45-2014.

Docket No. 54-2014 & 2-2014 FED – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 46-2014.

Docket No. 55-2014 – A motion was made by Mr. King, seconded by Mr. Smith and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 47-2014.

Docket No. 56-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 48-2014.

Docket No. 57-2014 – A motion was made by Mr. King, seconded by Mr. Smith and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 49-2014.

Docket No. 58-2014 – A motion was made by Mr. King, seconded by Mr. Smith and passed, to approve the application of SM Energy Company as set forth in Board Order 55-2014.

Docket No. 59-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of SM Energy Company was approved as set forth in Board Order 83-2014.

Docket No. 60-2014– The application of True Oil LLC was continued to the May 2014 hearing.

Docket No. 61-2014– The application of True Oil LLC was continued to the May 2014 hearing.

Docket No. 62-2014 – A motion was made by Mr. King, seconded by Mr. Smith and passed, to approve the application of Comanche Drilling Co as set forth in Board Order 37-2014.

Docket No. 63-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 84-2014.

Docket No. 64-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 85-2014.

Docket No. 65-2014 – A motion was made by Ms. Ames-Nerud, seconded by Mr. Smelser and unanimously passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 56-2014.

Docket No. 66-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 86-2014.

Docket No. 67-2014 – A motion was made by Mr. Efta, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 57-2014.

Docket No. 68-2014 – A motion was made by Mr. Efta, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 58-2014.

Docket No. 69-2014 – A motion was made by Mr. Efta, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 59-2014.

Docket No. 70-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 60-2014.

Docket No. 71-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 61-2014.

Docket No. 72-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 62-2014.

Docket No. 73-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 63-2014.

Docket No. 74-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 64-2014.

Docket No. 75-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 65-2014.

Docket No. 76-2014 – A motion was made by Ms. Ames-Nerud, seconded by Mr. Efta and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 66-2014.

Docket No. 77-2014 – A motion was made by Ms. Ames-Nerud, seconded by Mr. Efta and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 67-2014.

Docket No. 78-2014 – A motion was made by Ms. Ames-Nerud, seconded by Mr. Efta and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 68-2014.

Docket No. 79-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 69-2014.

Docket No. 80-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 70-2014.

Docket No. 81-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 71-2014.

Docket No. 82-2014 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 72-2014.

Docket No. 83-2014 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Continental Resources, Inc. as set forth in Board Order 73-2014.

Docket No. 84-2014 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 87-2014.

Docket No. 85-2014 – A motion was made by Mr. Efta, seconded by Mr. King and passed, to approve the application of Northern Oil Production, Inc. as set forth in Board Order 74-2014.

Docket No. 86-2014 – A motion was made by Mr. Efta, seconded by Mr. King and passed, to approve the application of Northern Oil Production, Inc. as set forth in Board Order 75-2014.

Docket No. 87-2014– The application of Northern Oil Production, Inc. was partially approved by the Board as set forth in Board Order 92-2014, but the spacing request was continued to the May 2014 public hearing.

Docket No. 88-2014 – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of Enerplus Resources (USA) Corporation as set forth in Board Order 76-2014.

Docket No. 89-2014 – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of Enerplus Resources (USA) Corporation as set forth in Board Order 77-2014.

Docket No. 476-2012 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 50-2014.

Docket No. 736-2012 – A motion was made by Ms. Ames-Nerud, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 51-2014.

Docket No. 737-2012 – A motion was made by Mr. King, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 52-2014.

Docket No. 738-2012 – A motion was made by Mr. Smith, seconded by Mr. Efta and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 53-2014.

Docket No. 746-2012 – A motion was made by Mr. Smith, seconded by Mr. King and passed, to approve the application of Oasis Petroleum, Inc. as set forth in Board Order 54-2014.

Docket No. 174-2013– The application of XTO Energy LP was continued to the May 2014 hearing.

Docket No. 347-2013– The application of Statoil Oil and Gas LP was continued to the May 2014 hearing.

Docket No. 494-2013 – The application of Black Gold Energy Services. Inc. was dismissed.

Docket No. 497-2013– The application of Statoil Oil and Gas LP was continued to the May 2014 hearing.

Docket No. 498-2013– The application of Statoil Oil and Gas LP was continued to the May 2014 hearing.

Docket No. 499-2013– The application of Statoil Oil and Gas LP was continued to the May 2014 hearing.

Docket No. 530-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 88-2014.

Docket No. 531-2013 – Board staff placed this application on the Default Docket for approval without hearing if no protests or requests for hearing were received by 10:00 a.m. on the day of the hearing. None were received. The application of Continental Resources, Inc. was approved as set forth in Board Order 89-2014.

Docket No. 542-2013 – A motion was made by Mr. Smith, seconded by Mr. Efta and unanimously passed, to schedule another Show-Cause hearing for Summer Night Oil Company, LLC for the Board's May 1, 2014 public hearing; and to order that Summer Night Oil Company, LLC provide at the May 1, 2014 public hearing: a) a timeline for plugging its wells; and b) justification as to why its bond should not be forfeited, as set forth in Board Order 90-2014.

Docket No. 90-2014 – A motion was made by Mr. King, seconded by Mr. Smith and unanimously passed, to dismiss the show-cause hearing for R & A Oil, Inc. as set forth in Board Order 91-2014.

NEXT MEETING

The next business meeting of the Board will be Wednesday, April 30, 2014 at 2:00 p.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana. The next regular public hearing will be Thursday, May 1, 2014, beginning at 8:00 a.m. at the Board's hearing room at its office at the 2535 St. Johns Avenue in Billings Montana. The filing deadline for the May 1, 2014, public hearing is March 27, 2014.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

Linda Nelson, Chairman
Wayne Smith, Vice-Chairman
Ronald S. Efta
Jack King
Peggy AmesNerud
Bret Smelser

ATTEST:

Terri H. Perrigo, Executive Secretary